

Can you provide those for the record?

Mr. O'MALLEY. Yes, we can provide that for the record. As a matter of fact, I think the operating orders that are in effect now are in the hands of the committee at the present time.

(The information referred to follows:)

U.S. DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT ADMINISTRATION—
MANUAL OF ECONOMIC DEVELOPMENT ORDERS

ECONOMIC DEVELOPMENT ORDER 3.02-3

Section 1. Purpose of order

This Order defines the requirements set forth in Section 702 of the Public Works and Economic Development Act of 1965, 79 Stat. 552 (hereinafter called the Act), and establishes procedures for compliance therewith.

Section 2. Text of section 702

Section 702 of the Act provides: "No financial assistance under this Act shall be extended to any project when the result would be to increase the production of goods, materials, or commodities, or the availability of services or facilities, when there is not sufficient demand for such goods, materials, commodities, services or facilities, to employ the efficient capacity of existing competitive commercial or industrial enterprises."

Section 3. Policy

No application for financial assistance under Titles I and II of the Act may be approved until it has been determined that approval of the project would not result in violation of the provisions of Section 702 of the Act. To make this determination, every application for financial assistance under Titles I and II must be reviewed. This review of the application and project file may be sufficient to enable a Section 702 determination to be made. However, in the case of business loan and certain public works projects (see Section 6 below), a Section 702 research study is required before the final determination can be made.

Section 4. Responsibility for making section 702 determinations

The Deputy Assistant Secretary for Economic Development Operations, or his designee, is responsible for determining whether the approval of assistance for a project would violate Section 702 and for taking whatever action may be necessary and proper in making such determinations. In all cases, the Area Offices furnish the appropriate Washington Office with preliminary data and information. The Washington Office determines whether more information is needed, decides when a Section 702 study must be made and in those cases conducts the study, and in all cases makes a final Section 702 determination.

Section 5. Definition of key terms

(1) Demand: "Demand" is the amount of the product or service which can reasonably be expected to be used thereafter in the market area to be served by the project or its principal industrial or commercial beneficiary.

(2) Capacity: "Capacity" is that quantity of production or supply of services which could reasonably be expected to be produced or supplied over a sustained period of time by existing competitive enterprises for use within a reasonable market area under working schedules historically customary for the industry.

(3) Efficient Capacity: "Efficient Capacity" is that part of the capacity which is produced or supplied by plants or suppliers employing well-designed structures, equipment, machinery, methods, designs, and techniques.

(4) Existing Competitive Enterprise: "Existing competitive enterprise" is an existing establishment which produces the same or an equivalent product or which supplies the same or an equivalent service to the same market area or a significant part thereof.

Section 6. When a section 702 study is required

A Section 702 study is required for: (a) All business development loan projects, and (b) Each public works project designed to provide public works facilities in order primarily or essentially to benefit one particular firm or industry.

Section 7. When a section 702 study is not required

(1) No Section 702 study is required when the request for financial assistance is for a public works project which would not result in a significant increase in the